

NOTICE OF PUBLIC HEARING

Notice is hereby given that on October 21, 2009, a public hearing as required by Section 147(f) of the Internal Revenue Code (the "Code") will be held with respect to the proposed issuance by the California Infrastructure and Economic Development Bank (the "Issuer") of its revenue bonds, in one or more series in an aggregate principal amount not to exceed \$550,000,000 (collectively, the "Bonds") for the benefit of Poseidon Resources (Channelside) LLC (the "Borrower"). The hearing will commence at 9:00 a.m., or as soon thereafter as the matter can be heard, and will be held in the Conference Room, 980 9th St., Suite 900, Sacramento, California. **This Notice supersedes a prior notice published in *The Sacramento Bee* and the *Carlsbad Sun* on July 16, 2009 and the hearing will be in addition to a hearing previously held by the Infrastructure Bank on July 30, 2009 with respect to the Project described below. The only change reflected in this Notice is an increase in the potential size of the Bonds to be issued by the Infrastructure Bank to \$550 million.**

The Borrower has undertaken the planning, development, design, permitting, acquisition, construction, improvement and equipping of a project to produce potable drinking water to serve a portion of the County of San Diego's drinking water supply (the "Project"). The proceeds of the Bonds will be used by the Borrower to finance certain costs to implement the Project, which will consist of an approximately 50 million gallon per day seawater desalination plant and associated water delivery pipelines (collectively, the "Facilities"). The Facilities will be owned and/or operated by the Borrower or an affiliate of the Borrower. The desalination plant will be located adjacent to the Encina Power Station, at 4600 Carlsbad Boulevard, Carlsbad, California. The water delivery pipelines will be located underground through easements obtained with the California Department of Transportation and the Cities of Carlsbad, Oceanside, Vista and San Marcos to access public rights of way, and through a license agreement with the North County Transportation District to access its right of way. The pipelines will connect to existing water delivery systems of the following public water agencies, whose customers will be served by the Facilities: Carlsbad Municipal Water District, Valley Center Municipal Water District, Rincon del Diablo Municipal Water District, Sweetwater Authority, Rainbow Municipal Water District, Vallecitos Municipal Water District, Santa Fe Irrigation District, Olivenhain Municipal Water District and the City of Oceanside. The Bonds may be issued at one time or in several series over the course of several years, as part of a plan of financing.

The Bonds will be paid entirely from repayments by the Borrower under a loan agreement between the Borrower and the Issuer. Neither the faith and credit nor the taxing power of the Issuer, the State of California ("State") or any other political subdivision or agency of the State is pledged to the payment of the principal of or premium, if any, or interest on, the Bonds, nor shall the Issuer or the State or any political subdivision or agency of the State, other than the Issuer, be liable or obligated to pay the principal of or premium, if any, or interest on the Bonds. The Issuer's obligation to pay principal of, premium, if any, and interest of the Bonds is limited solely to funds provided by the Borrower pursuant to a loan agreement with the Issuer and from other sources specified in the bond indenture relating to the Bonds.

Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the Facilities proposed to be financed may attend the public hearing or may submit written comments to the Issuer. Written comments should be addressed to: Roma Cristia-Plant, Assistant Executive Director, California Infrastructure and Economic Development Bank, 980 9th St., Suite 900, Sacramento, California 95814, or sent by email to: rcristia@ibank.ca.gov.

Notice is further given that the Borrower has filed an application with the Issuer in connection with the proposed issuance of the Bonds, and reference is hereby made to such application for further particulars.

October 7, 2009.

ROMA CRISTIA-PLANT
Assistant Executive Director
California Infrastructure and Economic Development Bank